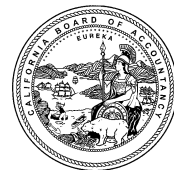


**CALIFORNIA BOARD OF ACCOUNTANCY**

2000 EVERGREEN STREET, SUITE 250  
 SACRAMENTO, CA 95815-3832  
 TELEPHONE: (916) 263-3680  
 FACSIMILE: (916) 263-3675  
 WEB ADDRESS: <http://www.dca.ca.gov/cba>



## President's Message



David L. Swartz, CPA  
*President*

Welcome to the 2007 edition of *Update*. As the newly elected President of the Board, I would like to bring you up to date as to some of the issues facing us in our mission to protect the consumers of California as well as regulate the accounting profession.

First, I would like to congratulate our new officers: Don Driftmier, CPA, Vice President and Robert Petersen, CPA, Secretary Treasurer. Special thanks to Ron Blanc, Esq., the Board's immediate past president, for his many hours of commitment and many trips to Sacramento to assist with legislation that was needed to make Practice Privilege manageable. I also want to thank Ruben A. Davila, CPA, Esq., for his service as Secretary Treasurer.

Although this Board has spent many hours on Practice Privilege, there are still issues that need resolution. It is not just a California issue but national. NASBA and the AICPA have committees formed to deal with the cross-border problem facing CPAs in all states. The Board will continue to address this problem until a workable solution is reached. Stay tuned.

Another topic that has been added to our agenda this year is Peer Review. To date, California has not

had mandatory Peer Review. My goal is to fashion a program that will work in this state and deal with audit quality issues before they become the subjects of complaints against licensees.

There is also a regulation being considered that will conform the California record retention regulations with the requirements promulgated by the profession. At the present time, California does not allow CPAs to remove documents from workpapers after the report release date while the profession provides for a 60-day period in which certain documents can be removed. Having two standards is cumbersome and confusing. Hopefully, passage of this new regulation will take place within the next six months.

At the January Board meeting, we learned that the Governor's 2007-2008 budget includes the addition of 17 staff that the Board requested. Many who have contacted the Board office in recent months have

*(Please see President's Message, continued to page 2)*

## Update

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experienced delays in receiving service. These delays were caused by a staff shortage which was further complicated by the increase in the number of applicants for the CPA license, biennial renewals, and applications related to our new Practice Privilege requirements. The Board's Enforcement Program staff also will be increased to enhance the level of consumer protection needed in this area. As a result, our budget will increase by \$1.8 million effective July 1, 2007. This additional cost has made it necessary to withdraw the adoption of the proposed amendments to Section 70 of the Accountancy Regulations that would have provided for the reduction in renewal fees. Therefore, fees will remain at current levels for the foreseeable future.

Lastly, I want to recognize Carol Sigmann, the Board's Executive Officer, and her excellent staff for all they do to assist the Board throughout the year. Their efforts allow us to make informed decisions that they are responsible for implementing. The hard work begins after the decisions are made.

Please consult our website between issues to keep current about changes being made on a continuing basis.



David Swartz, CPA  
President

**Policy of Nondiscrimination on the Basis of Disability and Equal Employment Opportunity**

The California Board of Accountancy does not discriminate on the basis of disability in employment or in the admission and access to its programs and activities.

An Americans with Disabilities Act (ADA) coordinator has been designated to coordinate and carry out this agency's compliance with the nondiscrimination requirements of Title II of the ADA. Information concerning the provisions of the ADA, and the rights provided thereunder, is available from:

ADA Coordinator  
California Board of Accountancy  
2000 Evergreen Street, Suite 250  
Sacramento, California 95815-3832

**Contributors to this Edition of**

*Update*

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Susan Rodriguez  
Aronna Wong

## 2006 Law Changes

Changes to the Accountancy Act are now in effect as a result of legislation enacted during the 2006 legislative session. These changes were contained in two bills: Assembly Bill 1868 and Senate Bill 503.

### **AB 1868 by Assembly Member Bermudez (Chapter 458, Statutes of 2006).**

When the practice privilege provisions became operative on January 1, 2006, they were found to interact with other California laws in such a manner as to create unintended barriers to practice in California for accounting professionals who were not licensed in this state. AB 1868 contained law changes to address these critical problems. AB 1868 was an urgency bill and took effect immediately after being signed by the Governor on September 25, 2006.

AB 1868 does the following:

- Allows a practice privilege holder to practice in California and sign in the name of his or her firm even if the firm is not registered by the Board.
- Permits out-of-state CPAs, PAs, and public accounting firms to temporarily practice in California incident to practice in another state provided that the individual or out-of-state firm does not solicit California clients, does not assert or imply that the practitioner or firm is licensed or registered to practice public accountancy in California, and does not engage in the development, implementation, or marketing to California consumers of any abusive tax avoidance transaction.
- Permits foreign accountants to engage in temporary and incidental practice related to engagements in the foreign country, regulated by the foreign country, and performed under the accounting or auditing standards of that country provided the accountant does not hold out as a holder of a California license or practice privilege.
- Affirms the Board's disciplinary authority over any individual or firm performing any act which is the practice of public accountancy in California.
- Provides for a reduced fee for practice privilege holders who do not sign attest reports.
- Requires that the "safe harbor" provision for late practice privilege notifications remains operative until December 31, 2010.

### **SB 503 by Senator Figueroa (Chapter 447, Statutes of 2006).**

SB 503 contained amendments to the Accountancy Act related to peer review and to fees. These amendments went into effect on January 1, 2007.

SB 503 does the following:

- Removes the requirement that the fees charged for examination and licensure cover the administrative cost of these programs. This law change allows the Board to use its existing resources to avoid a fee increase for those least able to afford it — new applicants for the CPA license. SB 503 also includes the same language that is in AB 1868 to provide for a lower fee for practice privilege holders who do not sign attest reports.
- Extends the deadline for the Board to report to the Legislature regarding implementation of a mandatory peer review program. ♦

## Selecting a Continuing Education Course or Program

It is a licensee's responsibility to determine if a continuing education (CE) course meets the requirements of the California Board of Accountancy's Regulations. The licensee has the opportunity and flexibility to choose CE that fits his or her technical and financial needs. With the exception of the Professional Conduct and Ethics course, the Board does not pre-approve courses or providers. The following information is intended to assist the licensee in selecting a CE course or program.

The prevailing consideration in determining whether a specific course or program qualifies as CE is that it must be a formal course or program of learning that contributes directly to the professional competence of a licensee in public practice. Courses or programs in the following subject areas are not acceptable CE: personal growth, self-realization, spirituality, personal health and/or fitness, sports and recreation, foreign languages and cultures, and other subjects that will not add to the professional competency of a licensee in public practice.

When selecting a particular CE course or program, a licensee should ask the following questions to ensure it meets the requirements of the Board's Regulations:

### Live Presentations:

- Does the provider retain attendance records?
- Does the provider have written educational goals and specific learning objectives, as well as a syllabus?
- Does the provider issue certificates of completion?

### Self-Study:

- Does the provider have written educational goals and specific learning objectives, as well as a syllabus?
- Does the provider require a passing score on a test given at the conclusion of the course or program?
- Does the provider issue certificates of completion?
- Is the course or program interactive?

As of January 2004, only interactive self-study courses are accepted. For a course or program to be considered interactive, it must meet the following criteria:

- Require frequent participant response to questions that test for understanding of the material presented.
- Provide evaluated feedback to incorrectly answered questions by specifying why the answer is wrong.
- Provide reinforcement feedback to correctly answered questions by restating why the answer is correct.

### Webcast:

- The Board accepts Webcast courses and programs provided they mirror the requirements for a live presentation course or program.
- The Board is proposing regulations that will assist in outlining the specific requirements and measurements for licensees to select and providers to offer Webcast courses. These can be reviewed on the Board's Website at [www.dca.ca.gov/cba/pubpart.htm](http://www.dca.ca.gov/cba/pubpart.htm).

The Board recommends that all licensees become familiar with Article 12 of the Board's Regulations that govern CE. Article 12 provides guidance on proper reporting of CE, as well as proper retention of certificates of completion. Additionally, Article 12 provides information regarding alternative methods of earning CE credits, such as being an instructor or author.

Please visit the Board's website at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba) to access Article 12 of the Board's Regulations. ♦

## 2007 Committee Member Appointments

The Board is pleased to announce that the following licensees were either reappointed or newly appointed to serve on the Board's committees for 2007. Appointments were announced at the Board's regularly scheduled meeting on December 1, 2006, in San Diego, California.

### Administrative Committee

Harish Khanna, CPA, Chair  
 Randy W. Miller, CPA, Vice Chair  
 Richard Edward Beranek, CPA  
 Dawn Brenner, CPA  
 Barry Franzen, CPA  
 Cheryl Gerhardt, CPA  
 Daniel R. Matter, CPA  
 James P. Petray, CPA  
 Kathleen Platz, CPA  
 James Rider, CPA  
 Arthur J. Thielen, CPA

### Qualifications Committee

Roger Bulosan, CPA, Chair  
 Carlos Aguila, CPA  
 Gary J. Bong, CPA  
 Maurice Eckley, Jr., CPA  
 Tracy A. Garone, CPA  
 Michael Haas, CPA  
 Fausto Hinojosa, CPA  
 Richard K. Kikuchi, CPA  
 Alan Lee, CPA  
 Kris Mapes, CPA  
 Gary H. O'Krent, CPA  
 Janet Rosman, CPA  
 Ash W. Shenouda, CPA  
 Michael L. Williams, CPA

**Information**

Each issue of *Update* contains important information about the public accounting profession, including notices of proposed hearings on regulation changes, Board and committee meetings, and proposed new regulatory language. For your convenience, all issues of *Update* for the past seven years also are posted on the Board's website at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba).

## Regulation Notice

### TITLE 16. CALIFORNIA BOARD OF ACCOUNTANCY

NOTICE IS HEREBY GIVEN that the California Board of Accountancy is proposing to take the action described in the Informative Digest. Any person interested may present statements or arguments orally or in writing relevant to the action proposed at a hearing to be held at the Courtyard by Marriott CalExpo, 1780 Tribute Road, Sacramento CA 95815 at 11:00 a.m. on May 11, 2007. Written comments, including those sent by mail, facsimile, or e-mail to the addresses listed under Contact Person in this Notice, must be received by the California Board of Accountancy at its office no later than 5:00 p.m. on May 10, 2007, or must be received by the California Board of Accountancy at the hearing. If submitted at the hearing, it is requested, although not required, that 25 copies be made available for distribution to Board members and staff. The California Board of Accountancy, upon its own motion or at the instance of any interested party, may thereafter adopt the proposal substantially as described below or may modify such proposal if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as the Contact Person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

Authority and Reference: Pursuant to the authority vested by Sections 125.9, 148, 5010, 5096 and 5096.9 of the Business and Professions Code and to implement, interpret or make specific Sections 125.9, 148, 5050, 5051, 5096, 5096.3, 5096.14, and 5100 of the Business and Professions Code, the California Board of Accountancy is considering changes to Division 1 of Title 16 of the California Code of Regulations as follows:

#### INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

##### 1. Amend Section 30 Title 16 of the California Code of Regulations.

Section 5096.9 of the Business and Professions Code authorizes the California Board of Accountancy to adopt regulations to implement, interpret, or make specific the statutory provisions related to Practice Privileges.

Current Section 30, applicable during the period January 1, 2006, through December 31, 2007, provides for a "safe harbor period" during which an individual shall not be deemed to be in violation of the Practice Privilege requirements solely because he or she began practice in California prior to submitting a Practice Privilege Notification Form, provided the Notification Form is submitted within five business days of the date practice begins.

Section 5096.14 of the Business and Professions Code mandates that the Board amend Section 30 to extend the operative period of the "safe harbor" provision through December 31, 2010.

This proposal would amend Section 30 to extend the operative period of the "safe harbor" provision in compliance with this statutory mandate.

The objective of this proposal is to amend Section 30 to achieve compliance with the policy direction given by the Legislature specific to the "safe harbor" provision.

##### 2. Amend Sections 95, 95.2, and 95.6 Title 16 of the California Code of Regulations.

Section 125.9 of the Business and Professions Code authorizes any board within the Department of Consumer Affairs to establish, by regulation, a system for the issuance of a citation which may contain an order to pay an administrative fine in an amount not to exceed \$5,000. Section 148 of the Business and Professions Code authorizes a board within the Department of Consumer Affairs to establish by

*(Please see Regulation Notice, continued to page 7)*

regulation a similar system for the issuance of a citation to an unlicensed person who is acting in the capacity of a licensee.

Current Section 95 provides for the issuance of citations to licensees of the California Board of Accountancy. Current Section 95.2 provides a schedule of administrative fine amounts that may be assessed in the citation. Current Section 95.6 provides for the issuance of a citation to an unlicensed person acting in the capacity of a licensee.

This proposal would amend Section 95 to include a provision authorizing the issuance of a citation for a violation of a term or condition of probation. Also, this proposal would amend Section 95.2 to delete the schedule of fines, and instead authorize the assessment of fines in the range of not less than \$100 or more than \$5,000 for each investigation. In addition, this proposal would increase the maximum fine authorized under Section 95.6 to \$5,000 for each investigation.

The objective of this proposal is to update and improve the Board's citation and fine regulations by permitting the issuance of citations for a violation of a term or condition of probation, deleting a cumbersome schedule of fine amounts, and making the maximum fine amounts consistent with the maximum amounts authorized by statute.

## **FISCAL IMPACT ESTIMATES**

Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State: Insignificant.

Nondiscretionary Costs/Savings to Local Agencies: None.

Local Mandate: None.

Cost to Any Local Agency or School District for Which Government Code Section 17561 Requires Reimbursement: None.

Business Impact:

The California Board of Accountancy has made an initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

AND

The following studies were relied upon in making that determination: None.

Impact on Jobs/New Businesses:

The California Board of Accountancy has determined that this regulatory proposal will not have any impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California.

Cost Impact on Representative Private Person or Business:

The California Board of Accountancy is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Effect on Housing Costs: None.

## **EFFECT ON SMALL BUSINESS**

The California Board of Accountancy has determined that the proposed regulations would affect small businesses.

*(Please see Regulation Notice, continued to page 8)*

## CONSIDERATION OF ALTERNATIVES

The California Board of Accountancy must determine that no reasonable alternative which it considered or that has otherwise been identified and brought to its attention would either be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposal described in this Notice.

Any interested person may present statements or arguments orally or in writing relevant to the above determinations at the above-mentioned hearing.

## INITIAL STATEMENT OF REASONS AND INFORMATION

The California Board of Accountancy has prepared an initial statement of the reasons for the proposed action and has available all the information upon which the proposal is based.

## TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations and of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained at the hearing or prior to the hearing upon request from the California Board of Accountancy at 2000 Evergreen Street, Suite 250, Sacramento, California 95815.

## AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file that is available for public inspection by contacting the person named below.

You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact person named below or by accessing the Web site listed below.

## CONTACT PERSON

Inquiries or comments concerning the proposed administrative action may be addressed to:

Name: Aronna Wong  
 Address: California Board of Accountancy  
 2000 Evergreen Street, Suite 250  
 Sacramento, CA 95815  
  
 Telephone No.: (916) 561-1788  
 Fax No.: (916) 263-3675  
 E-Mail Address: awong@cba.ca.gov

The backup contact person is:

Name: Dan Rich  
 Address: California Board of Accountancy  
 2000 Evergreen Street, Suite 250  
 Sacramento, CA 95815  
  
 Telephone No.: (916) 561-1713  
 Fax No.: (916) 263-3675  
 E-Mail Address: drich@cba.ca.gov

Inquiries concerning the substance of the proposed regulations may be directed to Aronna Wong at (916) 561-1788.

Website Access: Materials regarding this proposal can be found at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba).

*(Please see Regulation Notice, continued to page 9)*

California Board of Accountancy



## TEXT OF PROPOSAL

### Section 30. Safe Harbor – Period of the Notice.

(a) Notwithstanding Section 29, during the period January 1, 2006, through December 31, ~~2007~~ 2010, an individual shall not be deemed to be in violation of this Article or Article 5.1 of the Accountancy Act (commencing with Business and Professions Code Section 5096) solely because he or she begins the practice of public accounting in California prior to submitting the Notification Form, provided the Notification Form is submitted within five business days of the date practice begins. An individual who properly submits the Notification Form to the Board within the five-day period provided for in this Section shall be deemed to have a practice privilege from the first day of practice in California unless the individual fails to timely submit the required fee pursuant to Section 31.

(b) Subsection (a) of this section does not apply in those instances in which prior approval by the Board is required pursuant to Section 32.

(c) In addition to any other applicable sanction, the Board may issue a fine of \$250 to \$5,000 for notifying the Board more than five business days after beginning practice in California. In assessing a fine amount, consideration shall be given to the factors listed in Section 95.3.

Note: Authority cited: Sections 5010 and 5096.9, Business and Professions Code. Reference: Sections 125.9, 5096, ~~and 5096.3, and 5096.14,~~ Business and Professions Code.

### Section 95. Citations.

(a) The executive officer of the board, in lieu of filing an accusation seeking the suspension or revocation of any permit or certificate or the censure of the holder of any such permit or certificate pursuant to Sections 5100, 5101 and 5156 of the Business and Professions Code, may issue a citation to any person as defined in Section 5035 of the Business and Professions Code who holds a permit or certificate from the board for a violation of any provision of the Accountancy Act or any regulation adopted by the board.

(b) In his or her discretion, the board's executive officer may issue a citation under this section to a licensee for a violation of a term or condition contained in a decision placing that licensee on probation.

NOTE: Authority cited: Sections 125.9 and 5010, Business and Professions Code. Reference: Sections 125.9, Business and Professions Code.

### Section 95.2. Fines.

~~The executive officer of the Board shall assess fines in accordance with the following schedule: provided, however, in no case shall the total exceed \$2,500 for each investigation. The amount of the administrative fine assessed by the executive officer pursuant to this article shall not be less than \$100 or more than \$5,000 for each investigation.~~

<i>Rule*</i>	<i>Description</i>	<i>Range of Fines</i>		
3	Notification of Change of Address	\$100	to	\$1,000
5	Observance of Rules	200	to	2,000
52	Response to Board Inquiry	200	to	2,000
52.1	Failure to Appear	200	to	2,000
53	Discrimination Prohibited	200	to	2,000
54.1	Disclosure of Confidential Information Prohibited	200	to	2,000
54.2	Recipients of Confidential Information	200	to	2,000
56	Commissions-Basic Disclosure Requirement	500	to	2,500

(Please see Regulation Notice, continued to page 10)

56.1	Commissions-Professional Services Provided to the Client	500	to	2,500
57	Incompatible Occupations/Conflict of Interest	200	to	2,000
58	Accountant's Report	200	to	2,000
62	Contingent Fees	150	to	2,000
63	Advertising	100	to	2,000
65	Independence	300	to	2,500
67	Approval of Use of Fictitious Name	100	to	2,000
68	Retention of Client's Records	150	to	2,000
68.1	Working Papers Defined; Retention	500	to	2,500
69	Certification of Applicant's Experience	150	to	2,000
75.11	Certificate of Registration; Continuing Validity	100	to	1,000
80	Inactive License Status	150	to	2,000
87	Basic Requirements	100	to	2,000
87.1	Return to Active Status Prior to Renewal	100	to	2,000
87.5	Additional Continuing Education Requirements	100	to	2,000
87.6	Records Review Continuing Education Requirements	100	to	2,000
87.7	Continuing Education in the Accountancy Act, Board Rules, and Other Rules of Professional Conduct	100	to	2,000
89	Control and Reporting	100	to	1,000
89.1	Review of Financial Statements	100	to	1,000
90	Exceptions and Extensions	100	to	2,000
94	Failure to Comply	150	to	2,000

\*References for Rules are to sections of Title 16 of the California Code of Regulations.

*Business and Professions Code Section*

123	Subversion of the Licensing Examination	\$100	to	\$1,000
490	Conviction of a Crime—Substantial Relationship Required	200	to	2,000
496	Violation of Exam Security	100	to	1,000
5027	Continuing Education Regulations	100	to	2,000
5037	Ownership of Accountants' Work Papers	150	to	2,000
5050	Practice Without a Valid Permit: Temporary Practice, Out-of-State Licensee	150	to	2,000
5055	Title of Certified Public Accountant	150	to	2,000
5056	Title of Public Accountant	150	to	2,000
5058	Use of Confusing Titles or Designations Prohibited	100	to	2,000
5060	Name of Firm	100	to	1,000
5061	Commissions	500	to	2,500
5062	Reports on Financial Statement Required Report Conforming to Professional Standards	200	to	2,500
5063	Reportable Events	100	to	1,000
5071	Restriction on Practice as Partnership	100	to	1,000

(Please see Regulation Notice, continued to page 11)

5072	Requirements for Registration as a Certified Public Accountant Partnership	150	to	2,000
5076	Termination of Partnership	150	to	2,000
5078	Offices Not Under Personal Management of a Certified Public Accountant or Public Accountant:: Supervision	100	to	2,000
5079	Non-Licensee Ownership	100	to	2,000
5081	Requirements for Admission to Certified Public Accountant Examination	100	to	1,000
5081.1	Educational Requirements	100	to	1,000
5100	Discipline in General (a) through (j)	500	to	2,500
5101	Discipline of Partnership	100	to	2,000
5104	Relinquishment of Certificate or Permit	100	to	2,000
5105	Delinquency in Payment of Renewal Fee	100	to	2,000
5151	Application for Registration as Corporation	100	to	1,000
5152	Corporation Reports	100	to	1,000
5152.1	Accountancy Corporation Renewal of Permit to Practice	100	to	1,000
5154	Directors, Shareholders and Officers Must Be Licensed	100	to	1,000
5155	Disqualified Shareholder Non-participation	100	to	1,000
5156	Unprofessional Conduct	200	to	2,000
5158	Practice of Public Accountancy; Management	100	to	2,000

NOTE: Authority cited: Sections 125.9, 148 and 5010, Business and Professions Code. Reference: Sections 125.9, 148 and 5100(g), Business and Professions Code.

## 95.6 Unlicensed, Unregulated Practice.

The executive officer of the board may issue citations, in accordance with Section 125.9 and 148 of the Business and Professions Code, against any person defined in Business and Professions Code Section 5035 who is acting in the capacity of a licensee under the jurisdiction of the Board. Each citation may contain an assessment of an administrative fine, an order of abatement fixing a reasonable period of time for abatement of the violation, or both an administrative fine and an order of abatement. Administrative fines shall be in a range from \$100 to ~~\$2,500~~ \$5,000 for each investigation. Any sanction authorized for activity under this section shall be separate from and in addition to any other civil or criminal remedies.

NOTE: Authority cited: Sections 125.9, ~~425-95~~, 148 and 5010, Business and Professions Code. Reference: Sections 125.9, ~~425-95~~, 148, 5050 and 5051, Business and Professions Code.

## Enforcement Actions and Standard Probationary Terms

When the Board receives a complaint, an investigation is conducted. Information regarding a complaint generally is gathered by staff Investigative CPAs, often accompanied by a licensee's appearance before the Board's Administrative Committee. In some cases, information is gathered by the Department of Consumer Affairs' Division of Investigation.

Following this investigation, or for other reasons, a recommendation is made either to close the case for lack of evidence, or to refer the matter to the Attorney General for review and possible preparation of an accusation against the licensee or a statement of issues relating to the applicant.

The Board may revoke, suspend, or impose probation on a license for violation of applicable statutes or regulations. In addition to any case-specific terms of probation, the standard probationary terms include:

- Obey all federal, California, other state, and local laws, including those rules relating to the practice of public accountancy in California.
- Submit within 10 days of completion of the quarter, written reports to the Board on a form obtained from the Board. The Respondent shall submit, under penalty of perjury, such other written reports, declarations, and verification of actions as are required. These declarations shall contain statements relative to respondent's compliance with all the terms and conditions of probation. Respondent shall immediately execute all release of information forms as may be required by the Board or its representatives.
- During the period of probation, appear in person at interviews or meetings as directed by the Board or its designated representative, provided such notification is accomplished in a timely manner.
- Comply with the terms and conditions of the probation imposed by the Board, and cooperate fully with representatives of the Board in its monitoring and investigation of the respondent's compliance with probation terms and conditions.
- Be subject to, and permit a "practice investigation" of the respondent's professional practice. Such a "practice investigation" shall be conducted by representatives of the Board,

provided notification of such review is accomplished in a timely manner.

- Comply with all final orders resulting from citations issued by the California Board of Accountancy.
- In the event respondent should leave California to reside or practice outside this state, respondent must notify the Board in writing of the dates of departure and return. Periods of non-California residency or practice outside the state shall not apply to reduction of the probationary period, or of any suspension. No obligation imposed herein, including requirements to file written reports, reimburse the Board costs, or make restitution to consumers, shall be suspended or otherwise affected by such periods of out-of-state residency or practice, except at the written direction of the Board.
- If respondent violates probation in any respect, the Board, after giving respondent notice and an opportunity to be heard, may revoke probation and carry out the disciplinary and/or enforcement order that was stayed. If an accusation or a petition to revoke probation is filed against respondent during probation, the Board shall have continuing jurisdiction until the matter is final, and the period of probation shall be extended until the matter is final.
- Upon successful completion of probation, respondent's license will be fully restored.

If charges are filed against a licensee, a hearing may be held before an independent administrative law judge who submits a proposed decision to be considered by the California Board of Accountancy, or the matter may be settled. The Board may either accept the proposed decision or decide the matter itself. Please note that Board actions reported here may not be final. After the effective date of the Board's decision, the licensee may obtain judicial review of its decision. On occasion, a court will order a stay of the Board's decision or return the decision to the Board for reconsideration.

Copies of the accusations, decisions, and settlements regarding any of these disciplinary and/or enforcement actions are available by sending a written request to: California Board of Accountancy, Attention: Disciplinary/Enforcement Actions, 2000 Evergreen Street, Suite 250, Sacramento, CA 95815-3832. Please state the licensee's name and license number, and allow approximately three weeks for each request.

## Enforcement Actions 4/21/06 through 3/7/07

### *Revocation of CPA Certificate*

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<b>BANISTER, JOSEPH R.</b> Minden, NV (CPA 57875)  Revocation of CPA Certificate, via proposed decision.  Mr. Banister is required to reimburse the Board \$6,628 for its investigation and prosecution costs.  <b>Effective March 7, 2007</b>	<p>On December 24, 2003, a decision in United States Department of Treasury Complaint No. 2003-2, Director, Office of Professional Responsibility v. Joseph R. Banister, ordered Mr. Banister disbarred from practice before the Internal Revenue Service (IRS). Mr. Banister appealed the decision. In a June 25, 2004, decision, the Department of Treasury denied Mr. Banister's appeal and adopted as its final agency action the underlying decision disbaring Mr. Banister from practice before the IRS.</p> <p>The Department of Treasury found that Mr. Banister provided erroneous advice to taxpayers, including improperly advising them that tax returns were not required because IRS Code sections 861 through 865 define "source of income" in a manner that excluded the income of United States citizens residing in the United States from United States tax.</p>	Business and Professions Code, Division 3, Chapter 1, § 5100 (h).
<b>BRELJE, BRIAN JAMES</b> Laguna Beach, CA (CPA 27696)  Revocation of CPA Certificate, via default decision.  <b>Effective January 7, 2007</b>	<p>Mr. Brelje was grossly negligent, committed repeated negligent acts, and breached his fiduciary duty when he failed to prepare and file federal and state estate and trust returns of a family trust and the final individual federal and state income tax returns of the decedent.</p> <p>Mr. Brelje also failed to return the family trust records and documents after being requested to do so, and he failed to respond to correspondence from the Board requesting further information after a complaint was filed by the trustee.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5037(b) and 5100 (c), (g), and (i). California Code of Regulations, Title 16, Division 1, §§ 52 and 68.

(Please see Enforcement Actions, continued to page 14)

## Enforcement Actions 4/21/06 through 3/7/07

### *Revocation of CPA Certificate*

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p><b>CENSOPRANO, SALVATORE</b> Foster City, CA (CPA 58332)</p> <p>Revocation of CPA Certificate, via stipulated settlement.</p> <p>Mr. Censoprano will pay the Board \$3,000 for its investigation and prosecution costs prior to its acceptance for consideration of a petition for reinstatement or application for licensure.</p> <p><b>Effective August 25, 2006</b></p>	<p>Mr. Censoprano admitted that the United States Securities and Exchange Commission (SEC) took enforcement and administrative actions against him, as set forth in the Accusation, and that the SEC actions constitute cause for discipline of his license.</p> <p>The SEC brought the enforcement action against Mr. Censoprano and others in the matter of SEC v. M&amp;A West, et al. Mr. Censoprano served as Chief Financial Officer of M&amp;A West, Inc. during 1999 and 2000. The SEC alleged in its complaint that Mr. Censoprano participated with others in a fraudulent scheme that resulted in M&amp;A West filing with the SEC materially false and misleading financial statements in 1999 and 2000.</p> <p>At the conclusion of the SEC actions, Mr. Censoprano was ordered to pay a \$250,000 civil penalty and suspended from appearing or practicing before the SEC as an accountant.</p>	<p>Business and Professions Code, Division 3, Chapter 1, § 5100 (h) and (l).</p>

## Enforcement Definitions

### **Accusation**

A formal document that notifies a licensee of the Board's charges against the licensee.

### **Cost Recovery**

The licensee is ordered to pay the Board certain costs of investigation and prosecution including, but not limited to, attorney fees.

### **Default Decision**

The licensee failed to file a Notice of Defense or has otherwise failed to request a hearing, object, or otherwise contest the accusation. The Board takes action without a hearing based on the accusation and documentary evidence on file.

### **Effective Date**

The date the disciplinary decision becomes operative.

### **Probation**

The licensee may continue to engage in activities for which licensure is required, under specific terms and conditions.

### **Reinstatement**

A revoked license that is restored, not sooner than one year from the date of revocation, to a clear or inactive status after petition to and approval by the Board. Reinstatement may include probation and/or terms and conditions.

## Enforcement Actions 4/21/06 through 3/7/07

### Revocation of CPA Certificate

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<b>CERESA, RICHARD</b> Woodbridge, CA (CPA 15715)  Revocation of CPA Certificate, via proposed decision.  Mr. Ceresa is required to reimburse the Board \$12,685 for its investigation and prosecution costs.  <b>Effective October 20, 2006</b>	<p>On or about May 19, 2003, Mr. Ceresa received \$5,000 as an advance payment to prepare the federal and state estate tax returns for the estate of J.L.'s deceased father, and to prepare J.L.'s 2003 income tax return.</p> <p>For over one year, Mr. Ceresa made numerous representations that the returns were being finalized and that the returns would be sent to J.L. The returns were never prepared nor was the advance payment returned to J.L.</p> <p>Mr. Ceresa failed to prepare a Form 706 and California ET-1 by the extended due date of August 9, 2004, on behalf of client J.L.</p> <p>Mr. Ceresa did not return the records of and for the estate of J.L.'s deceased father, despite repeated requests from J.L. and J.L.'s attorney. Mr. Ceresa did not return J.L.'s personal 2003 income tax returns, despite repeated requests.</p> <p>Mr. Ceresa failed to respond within 30 days to the Board's inquiry letters dated March 8, 2005, and May 10, 2005.</p> <p>Mr. Ceresa failed to complete 80 hours of professional education courses no later than 100 days prior to the termination of probation.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5037 and 5100 (c), (i) and (k). California Code of Regulations, Title 16, Division 1, §§ 52 and 68.</p> <p style="text-align: right;"><i>(Please see Enforcement Actions, continued to page 16)</i></p>

### Enforcement Definitions (Cont'd)

**Revocation**

The individual, partnership, or corporation no longer is licensed as a result of a disciplinary action.

**Stayed**

The action does not immediately take place and may not take place if the licensee complies with other conditions (such as a probation term).

**Stipulation**

The matter is negotiated and settled without going to hearing.

**Surrendered**

The licensee has surrendered the license. The individual, partnership, or corporation no longer is licensed. The Board, however, may impose discipline against a surrendered license in certain circumstances. Surrender also may require certain conditions be met should the former licensee ever choose to reapply for licensure.

**Suspension**

The licensee is prohibited for a specific period of time from engaging in activities for which licensure is required.

## Enforcement Actions 4/21/06 through 3/7/07

### *Revocation of CPA Certificate*

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<b>DOWLING, STANLEY WRISTEN</b> Scotts Valley, CA (CPA 15737)  Revocation of CPA Certificate, via default decision.  <b>Effective October 20, 2006</b>	<p>Mr. Dowling practiced public accountancy during the period his license was expired, from May 1, 2002, until its renewal on August 3, 2005.</p> <p>Mr. Dowling failed to comply with continuing education course requirements while in the practice of public accountancy and failed to maintain documentation to support completion of continuing education courses.</p> <p>Mr. Dowling secured his license by fraud, deceit or knowing misrepresentation of a material fact or by knowingly omitting to state a material fact, when he asserted in his renewal application that he had complied with requisite continuing education requirements when in fact he had not complied with the requirements.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 498, and 5100 (b), (g) and 5050. California Code of Regulations, Title 16, Division 1, §§ 5, 52, 87, 89 and 94.
<b>FELDMAN, MICHAEL A.</b> Calabasas, CA (CPA 34597)  Revocation of CPA Certificate, via default decision.  <b>Effective April 21, 2006</b>	<p>Mr. Feldman was convicted on his plea of guilty to grand theft by embezzlement, a felony. Mr. Feldman also was convicted on his plea of guilty to filing a false tax return, a felony.</p> <p>The circumstances of the first felony conviction are that between January 1, 1999, and August 1, 2001, while Mr. Feldman was a president, manager, and accountant for Lindsey Studios, Inc., he transferred from Lindsey Studios, Inc.'s business checking account to his personal checking account, approximately \$380,000 during the period 1999-2001.</p>	Business and Professions Code, Division 3, Chapter 1, § 5100 (a), (c), (g), (i), (j), and (k). California Code of Regulations, Title 16, Division 1, § 65.



## Enforcement Actions 4/21/06 through 3/7/07

### *Revocation of CPA Certificate*

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<b>HOUSE, STEPHEN MICHAEL</b> Roseville, CA (CPA 46621)  Revocation of CPA Certificate, via default decision.  <b>HOUSE &amp; COMPANY,</b> <b>CERTIFIED PUBLIC ACCOUNTANT</b> (FNP 222)  <b>Effective January 7, 2007</b>	<p>On February 3, 2006, Mr. House was convicted on a plea of guilty of wire fraud committed during the years 2000-2004.</p> <p>Mr. House is also subject to discipline for the following acts:</p> <p>Writing checks to himself without client permission or authorization while acting as trustee for two estates.</p> <p>While acting as a partner in a non-CPA firm, Mr. House took money for himself without the permission or authorization of the other partners.</p> <p>Mr. House diverted for his own benefit client funds that had been entrusted to him for the payment of payroll taxes and other obligations in the amount of \$2,231,637 causing the client to incur penalties in excess of \$174,432 for late filings and payments of payroll tax returns.</p> <p>Mr. House prepared and filed for a client federal income tax returns for the years ended September 30, 2000, and September 30, 2001, that were significantly different from the tax return copies provided to the client.</p> <p>Mr. House knowingly made false entries into a client's general ledgers for the fiscal years ended September 30, 2001, September 30, 2002, and September 30, 2003.</p> <p>Mr. House, a partner in a non-CPA partnership, altered partnership financial documents in a fashion apparently designed to hide Mr. House's fraudulent activities.</p> <p>Mr. House failed to furnish to his partnership, upon request and reasonable notice, books and records that constituted original records of the partnership.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5037 and 5100 (a), (c), (k), and (i). California Code of Regulations, Title 16, Division 1, § 68.</p>

(Please see Enforcement Actions, continued to page 18)

## Enforcement Actions 4/21/06 through 3/7/07

### *Revocation of CPA Certificate*

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<b>HUSTON, JAMES LARRY</b> Kingman, AZ (CPA 27454)  Revocation of CPA Certificate, via default decision.  <b>Effective May 13, 2006</b>	<p>The Internal Revenue Service (IRS) and the Arizona State Board of Accountancy each suspended Mr. Huston from practicing as a certified public accountant.</p> <p>Mr. Huston did not report to the California Board of Accountancy either of these suspensions.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5063 and 5100 (d), (g), and (h).
<b>LAIRD, JAMES J.</b> San Ramon, CA (CPA 72148)  Revocation of CPA Certificate, via default decision.  <b>Effective January 7, 2007</b>	<p>Mr. Laird was grossly negligent in the practice of public accountancy by failing to complete an estate tax return after being engaged and paid to do so by a client, and by incorrectly preparing an IRS Application for Tentative Refund, Form 1045, for a separate client.</p> <p>Mr. Laird breached his fiduciary duty as trustee of his deceased mother's trust by failing to properly administer the trust. Mr. Laird failed to provide an annual accounting of the trust after multiple requests from the beneficiaries, failed to properly designate trust property as property of the trust, and failed to file trust tax returns and a final decedent tax return.</p> <p>Mr. Laird practiced public accountancy under the unregistered name of "James Laird Certified Public Accountant Professional Corporation." Mr. Laird failed to respond to multiple Board inquiries during the investigation.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5100 (c), (i), (g) and 5060. California Code of Regulations, Title 16, Division 1, § 52.

## Enforcement Actions 4/21/06 through 3/7/07

### *Revocation of CPA Certificate*

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<b>LEUNG, ELSIE</b> Pasadena, CA (CPA 18984)  Revocation of CPA Certificate, via default decision.  <b>Effective January 7, 2007</b>	<p>Ms. Leung is subject to disciplinary action in that on or about February 28, 2006, the U.S. Securities and Exchange Commission (SEC) issued an order suspending Ms. Leung from appearing or practicing before the SEC.</p> <p>The SEC suspension followed Ms. Leung's consent to entry of final judgment in the U.S. District Court for the Central District of California on or about February 21, 2006, including terms by which she was permanently barred from serving as an officer or director of a public company and ordered to pay a \$750,000 penalty.</p> <p>Charges filed by the SEC in the matter alleged that Ms. Leung, in her positions as Chief Financial Officer, Chief Operating Officer, and member of the Board of Directors of Gemstar-TV Guide International, Inc., had participated in a scheme to defraud investors by inflating the company's licensing and advertising revenues.</p>	Business and Professions Code, Division 3, Chapter 1, § 5100 (h) and (l).
<b>MARQUARDT, JOSEPH WARREN</b> Laguna Hills, CA (CPA 34016)  Revocation of CPA Certificate, via default decision.  <b>Effective April 22, 2006</b>	<p>Mr. Marquardt was grossly negligent in the practice of public accountancy by failing to properly incorporate a client's business after being paid in full to do so. Mr. Marquardt engaged in the practice of public accountancy while his license was in an expired status from January 1, 2003, through July 29, 2003.</p> <p>Mr. Marquardt failed to complete 80 hours of continuing education prior to his license expiration of December 31, 2002. Mr. Marquardt also failed to provide certificates of completion to support the continuing education hours claimed on his December 31, 2002, renewal form.</p> <p>Mr. Marquardt practiced under the unregistered name of "Abacus Accounting Technologies."</p> <p>Mr. Marquardt failed to notify the Board of his change of address and failed to respond to multiple Board inquiries.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5050, 5060, and 5100 (c) and (g). California Code of Regulations, Title 16, Division 1, §§ 3, 52, 87, and 89.

*(Please see Enforcement Actions, continued to page 20)*

## Enforcement Actions 4/21/06 through 3/7/07

### *Revocation of CPA Certificate*

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<b>NEFSKY, MELVYN I.</b> Los Angeles, CA (CPA 15025)  Revocation of CPA Certificate, via default decision.  <b>Effective January 7, 2007</b>	<p>Mr. Nefsky was grossly negligent for failing to complete the 2004 individual and corporate tax returns that he was engaged to prepare.</p> <p>In addition, Mr. Nefsky refused to return the documents to the clients for tax year 2004 as well as the clients' documents for over 20 previous years during which Mr. Nefsky had provided them with his services.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5100 (c) and 5037. California Code of Regulations, Title 16, Division 1, § 68.
<b>RUVALCABA, RONAELE LYNNE</b> Sacramento, CA (CPA 68780)  Revocation of CPA Certificate, via default decision.  <b>Effective February 25, 2007</b>	<p>Ms. Ruvalcaba pleaded guilty on or about March 21, 2005, to conspiracy to commit a crime, theft and grand theft. On or between June 1 and November 13, 2002, Ms. Ruvalcaba unlawfully took money from multiple individuals while doing business as Pacific Beach Portraits and Serafina Bridal. Ms. Ruvalcaba failed to report the conviction in writing within 30 days of the date of her knowledge of the conviction.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5100 (a) and (k) and 5063.
<b>SILVA, MARIO H.</b> Brea, CA (CPA 19649)  Revocation of CPA Certificate, via default decision.  <b>Effective August 25, 2006</b>	<p>Mr. Silva failed to make timely responses to Board inquiries made from the Board's Report Quality Monitoring Committee. This led to a referral for investigation of Mr. Silva's audit of Dynasty Escrow.</p> <p>An investigation of the audit report concluded that the report issued by Mr. Silva contained extreme departures from professional standards. In addition, Mr. Silva was uncooperative during the investigation and failed to respond to multiple letters and a subpoena requesting that he provide the working papers that supported the audit report.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5062 and 5100 (g). California Code of Regulations, Title 16, Division 1, § 52.

## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<b>AZAVEDO, ANTHONY JOHN</b> Irvine, CA (CPA 28959)  Revocation stayed, with five years' probation and a 60-day suspension (commencing July 1, 2006, through August 29, 2006), via proposed decision.  Mr. Azavedo shall submit, within 10 days of completion of the quarter, written reports to the Board.  Mr. Azavedo shall, during the period of probation, appear in person at interviews/meetings as directed by the Board or its designated representatives, provided such notification is accomplished in a timely manner.  Mr. Azavedo shall be subject to, and shall permit, a practice investigation of his professional practice. A practice investigation shall be conducted by representatives of the Board, provided notification of such review is accomplished in a timely manner.  Mr. Azavedo shall be restricted from performing any audit engagements during his term of probation, unless the Board provides him prior permission to perform such tasks.  Mr. Azavedo shall take and pass with a score of 90 percent or better a Board-approved ethics course within 180 days of the effective date of the Board's decision.  Mr. Azavedo is required to maintain an active license status, including during any period of suspension.  Mr. Azavedo is required to reimburse the Board \$10,000 for its investigation and prosecution costs.	Mr. Azavedo was grossly negligent in the performance of the audit of Knoche and Knoche, Inc. (Knoche) for the year ended December 31, 2001. The deficiencies found in the Knoche audit in the aggregate establish an extreme departure from applicable auditing standards and a failure to exercise due professional care.  Mr. Azavedo failed to use due care in preparing the "payroll verification" for Integrated Project Solutions, Inc.  Mr. Azavedo practiced public accountancy without a current permit.  Mr. Azavedo failed to comply with continuing education requirements in a timely manner.	Business and Professions Code, Division 3, Chapter 1, § 5100 (h) and (l).

**Effective March 12, 2006**

*(Please see Enforcement Actions, continued to page 22)*

## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p><b>BAKA, JOHN EDWARD</b> San Francisco, CA (CPA 73539)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Baka shall at all times maintain an active license status with the Board.</p> <p>Mr. Baka shall complete 24 hours of continuing professional education courses (CPE) in audit-related subjects, at least eight hours of which shall include instruction on audits of employee benefit plans. The CPE shall be in addition to the 80 hours required for license renewal.</p> <p>Mr. Baka is required to reimburse the Board \$5,108 for its investigation and prosecution costs.</p> <p>Other standard terms of probation.</p> <p><b>Effective October 20, 2006</b></p> <p><i>Also see:</i></p> <p><i>FISHER, GEORGE ALAN AND FISHER &amp; BAGLEY (page 25)</i></p>	<p>Mr. Baka agrees that a factual basis for the charges contained in Accusation AC-2006-13 could be established.</p> <p>This accusation charges that Mr. Baka participated in the audit of the IES-ESOP for the year ended March 31, 2002, under the supervision of George Alan Fisher.</p> <p>The accusation also includes charges that Mr. Baka's working paper documentation of the tests performed in support of the audit of the IES-ESOP for the year ended March 31, 2002, was characterized by extreme departures from applicable professional standards constituting gross negligence and/or repeated acts of negligence.</p>	<p>Business and Professions Code, Division 3, Chapter 1, § 5100 (c).</p>
<p><b>BONNER, MICHAEL JAMES</b> Santa Clarita, CA (CPA 45688)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Bonner's license is suspended for six months.</p> <p>Mr. Bonner shall complete 40 hours of continuing education in addition to the 80 hours required for license renewal.</p> <p>Mr. Bonner shall take and pass with a score of 90 percent or better a Board-approved ethics course.</p> <p>Mr. Bonner is required to reimburse the Board \$4,000 for its investigation and prosecution costs.</p> <p>Other standard terms of probation.</p> <p><b>Effective September 21, 2006</b></p>	<p>Mr. Bonner admits that he engaged in the practice of public accountancy while his license was either expired or inactive. Mr. Bonner's license was expired from November 1, 1996, until October 31, 2001, and then renewed inactive until June 27, 2005.</p> <p>Mr. Bonner failed to complete the required 80 hours of continuing education for each renewal period he was expired or renewed inactive.</p> <p>Mr. Bonner also failed to complete the required eight-hour Professional Conduct and Ethics course.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5100 (g) and 5050. California Code of Regulations, Title 16, Division 1, § 87.</p>

## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<b>DIAMOND, DERRICK HUNTER</b> Newport Beach, CA (CPA 95450)	<p>On or about July 5, 1995, Mr. Diamond was convicted by plea of guilty to one felony count of receiving stolen property, and one felony count of grand theft auto.</p> <p>On or about March 29, 1996, Mr. Diamond was convicted by plea of guilty to one misdemeanor count of solicitation to commit a controlled substance crime, and one misdemeanor count of violation of promise to appear in court.</p> <p>On or about July 16, 1997, Mr. Diamond was convicted after a jury trial of one misdemeanor count of attempted grand theft, one misdemeanor count of fraudulent use of an access card, and one misdemeanor count of acquiring an access card without consent.</p>	Business and Professions Code, Division 3, Chapter 1, § 480.
<p>Via decision after Non-Adoption of Proposed Decision, application for the issuance of a certified public accountant license is granted and immediately revoked. However, the order of revocation is stayed, and Mr. Diamond's license is placed on probation for five years subject to the following conditions of probation:</p> <ul style="list-style-type: none"> <li>▪ Must report to the Board within 48 hours of his arrest for any offense.</li> <li>▪ Must provide a copy of the Board's Decision to any prospective employer before accepting employment as a CPA.</li> <li>▪ Must not engage in self-employment and solo practice.</li> <li>▪ Must participate or shall have participated in a drug screening program acceptable to the Board.</li> <li>▪ Must abstain from the personal use of psychotropic drugs except when lawfully prescribed.</li> <li>▪ Other standard terms and conditions.</li> </ul>		

**Effective June 30, 2006**

*(Please see Enforcement Actions, continued to page 24)*

## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p><b>DIAZ, DAWN E.</b> Sangus, CA (CPA 50152)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Ms. Diaz is suspended for one year.</p> <p>Ms. Diaz shall perform 200 hours of community service for the Volunteer Income Tax Assistance Program by April 15, 2008.</p> <p>Ms. Diaz shall take and pass with a score of 90 percent or better a Board approved ethics course.</p> <p>Other standard terms of probation.</p> <p><b>Effective January 7, 2007</b></p>	<p>Ms. Diaz admits that the Securities and Exchange Commission (SEC) denied Ms. Diaz the privilege of appearing or practicing before the SEC as an accountant and that the SEC's order constitutes the imposition of discipline or sanctions by the SEC. Ms. Diaz consented to the entry of the SEC's order without admitting or denying the SEC's findings.</p> <p>Ms. Diaz was employed as the Chief Financial Officer of Rexhall Industries, Inc. from February 2001 to July 2002.</p> <p>The SEC's order included findings that in preparing Rexhall's financial statements for the first quarter of 2002, Ms. Diaz was presented with two materially different calculations for raw materials inventory. One calculation was based on a physical inventory count, and the second (higher) calculation was based on a computer model that she designed. Ms. Diaz did not reconcile the two figures, used the higher calculation, and did not bring the discrepancy to the attention of the outside audit firm.</p>	<p>Business and Professions Code, Division 3, Chapter 1, § 5100 (h) and (l).</p>
<p><b>DOLANSKI, ANTHONY P.</b> Malvern, PA (CPA 55148)</p> <p>Surrendered certificate, via stipulated settlement.</p> <p>Mr. Dolanski is required to reimburse the Board \$2,097 for its investigation and prosecution costs.</p> <p><b>Effective January 7, 2007</b></p>	<p>Mr. Dolanski admits that on or about March 21, 2006, in the Matter of Anthony P. Dolanski, CPA before the Securities and Exchange Commission (SEC), the SEC issued an order suspending Mr. Dolanski from appearing or practicing before the SEC as an accountant for a period of one year.</p> <p>Mr. Dolanski further acknowledges without making specific admissions that a factual basis exists for imposing discipline in relation to charges in the Accusation that he did not report his suspension by the SEC to the California Board of Accountancy.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5063 and 5100 (h) and (l).</p>



## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p><b>ESTRADA, SEVERO "ROY" CAMIL</b> San Jose, CA (CPA 35696)</p> <p>Surrendered certificate, via stipulated settlement.</p> <p><b>Effective January 7, 2007</b></p>	<p>For the purpose of resolving the charges and allegations in Accusation No. AC-2005-11, Mr. Estrada admits he performed an audit of a foster care provider, regulated by the California Department of Social Services, that was grossly negligent.</p> <p>The audit report did not conform to professional standards, the financial statements did not include all required disclosures, and the working papers did not have all required documentation.</p> <p>Mr. Estrada engaged in the practice of public accountancy while his license was in inactive status.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5100 (c) and (g), 5062, and 5050. California Code of Regulations, Title 16, Division 1, § 58.</p>
<p><b>FISHER, GEORGE ALAN and FISHER &amp; BAGLEY</b> San Bruno, CA (CPA 50369 and PAR 3086)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Fisher and Fisher &amp; Bagley shall at all times maintain active license status with the Board.</p> <p>Mr. Fisher shall complete 24 hours of continuing professional education courses (CPE) in audit-related subjects, at least eight hours of which shall include instruction on audits of employee benefit plans. The CPE shall be in addition to the 80 hours required for license renewal.</p> <p>Prior to release of any audit by Mr. Fisher or Fisher &amp; Bagley, all work papers and audited financial statements for or pertaining to any such audit must be reviewed and approved by an independent certified public accountant approved by the Board or its representatives.</p> <p>Mr. Fisher and Fisher &amp; Bagley are jointly required to reimburse the Board \$6,357 for its investigation and prosecution costs.</p>	<p>For purposes of settlement, Mr. Fisher admits he was the engagement partner for Fisher &amp; Bagley and participated in the audit of the IES-ESOP for the year ended March 31, 2002, supervising the work of John Edward Baka.</p> <p>For purposes of settlement, both Mr. Fisher and Fisher &amp; Bagley admit the working paper documentation of the tests performed in support of the audit of the IES-ESOP for the year ended March 31, 2002, was characterized by extreme departures from applicable professional standards, constituting gross negligence and/or repeated acts of negligence.</p>	<p>Business and Professions Code, Division 3, Chapter 1, § 5100 (c).</p>

**Effective October 20, 2006**

Also see: BAKA, JOHN EDWARD (page 22)

*(Please see Enforcement Actions, continued to page 26)*

## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p><b>FRICK, RICHARD L.</b> Palm Springs, CA (CPA 55982)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Frick shall take and pass with a score of 90 percent or better a Board approved ethics course.</p> <p>Mr. Frick is required to reimburse the Board \$15,000 for its investigation and prosecution costs.</p> <p>Other standard terms of probation.</p> <p><b>Effective April 21, 2006</b></p>	<p>Mr. Frick admits the following matters in Accusation AC-2004-37. Mr. Frick, a partner at Ernst and Young LLP (EY), was the engagement partner during EY's audits of the financial statements of PeopleSoft, Inc. Mr. Frick was responsible for signing EY's audit reports and issuing the auditor's opinions (which were unqualified) on PeopleSoft's financial statements for the year ended December 31, 1995, through the year ended December 31, 1999. Mr. Frick also was EY's coordinating partner for PeopleSoft, from the fall of 1995 until June 2000.</p> <p>Mr. Frick further admits that the following matters charged, if proven at hearing, constitute violations of the Accountancy Act as charged and provide the basis for the Board's discipline of his license. The Securities and Exchange Commission (SEC) found that Ernst &amp; Young LLP was not independent in fact and appearance when it audited PeopleSoft's financial statements for FY's 1994 through 1999, because EY's business relationships with PeopleSoft and actions by EY's Consulting Group created an impermissible identity or mutuality of interests. The SEC found that Mr. Frick's conclusions regarding EY's independence were contradicted by evidence known by, or available to, Mr. Frick during the course of his audit procedures.</p> <p>Accusation No. AC-2004-37 alleged that Mr. Frick's lack of appropriate consideration and resolution of the independence issue in the PeopleSoft audits constituted violations of the Board's regulations requiring independence and compliance with professional standards. Mr. Frick issued, or caused to be issued, reports in the EY audits that failed to conform to professional standards.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5062 and 5100 (g). California Code of Regulations, Title 16, Division 1, §§ 58 and 65.</p>

## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p><b>KIM, BYUNG ROK</b> Garden Grove, CA (CPA 79933)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Kim shall take and pass with a score of 90 percent or better an eight-hour Board-approved ethics course within 180 days from the effective date of the Board's decision.</p> <p>Mr. Kim is required to reimburse the Board \$3,300 for its investigation and prosecution costs.</p> <p>Other standard terms and conditions.</p> <p><b>Effective June 23, 2006</b></p>	<p>For purposes of settlement, Mr. Kim admits that on or about December 28, 2001, he pleaded no contest to the crime of petty theft.</p> <p>The circumstances surrounding the conviction are that on or about November 23, 2001, Mr. Kim did unlawfully steal, take, and carry away personal property belonging to Fry's Electronics.</p> <p>Mr. Kim did not report his conviction to the California Board of Accountancy.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5063, and 5100 (a), (g), and (k).</p>
<p><b>LEE, JANELL MISSY</b> Oakland, CA (CPA 62196)</p> <p>Surrender of CPA certificate, via stipulated settlement.</p> <p>Ms. Lee is required to reimburse the Board \$3,920 for its investigation and prosecution costs prior to the issuance of a new or reinstated license.</p> <p><b>Effective February 25, 2007</b></p>	<p>Ms. Lee admits the truth of each and every charge and allegation in Accusation No. AC-2006-21 and agrees that cause exists for discipline and hereby surrenders her CPA certificate.</p> <p>Ms. Lee admits that she was convicted of a crime substantially related to the practice of public accountancy. Ms. Lee was convicted by a plea of no contest to embezzlement, a misdemeanor charge. While Ms. Lee was employed as a tax compliance manager for Basic American Foods, Ms. Lee processed company tax payments to the California Franchise Tax Board (FTB) in the amounts of \$25,000 and \$150,000, and sent them to the FTB in payment of her own tax liability.</p> <p>Ms. Lee failed to report her conviction to the Board.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 490, 5063, and 5100 (a).</p>

*(Please see Enforcement Actions, continued to page 28)*

## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p><b>MOON, OSCAR ODELL</b> Victorville, CA (CPA 27115)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Moon's license is suspended for three months.</p> <p>Mr. Moon shall take and pass with a score of 90 percent or better a Board-approved ethics course within the first six months of probation.</p> <p>Mr. Moon shall complete and provide proper documentation of completion of 24 hours of continuing education in addition to the 80 hours required for license renewal.</p> <p>Mr. Moon is required to maintain an active license status even during the period of suspension.</p> <p>Mr. Moon is required to reimburse the Board \$11,500 for its investigation and prosecution costs.</p> <p>Other standard terms of probation.</p> <p><b>Effective October 20, 2006</b></p>	<p>For purposes of settlement, Mr. Moon admits he failed to comply with applicable professional standards of due care and diligence in discharging his responsibilities to his client between approximately May and October 2002, in relation to a state Board of Equalization audit. Mr. Moon practiced public accountancy from at least September 1, 2001, through October 2002, while his permit was either expired or in the inactive status. Mr. Moon used the Certified Fraud Examiner (CFE) designation on advertisements when his CFE registration was not in good standing.</p> <p>Mr. Moon failed to complete continuing education requirements prior to the expiration of his license and failed to maintain the documentation of completion of the courses that he claimed on his renewal application for the period ended June 30, 2001.</p> <p>Mr. Moon failed to respond to Board inquiries, written and telephonic, and he failed to comply with the Board's duly-issued investigatory subpoena.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5050 and 5100 (g). California Code of Regulations, Title 16, Division 1, §§ 52, 58, 63, 87(a), and 89.</p>

## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p><b>MOSS ADAMS LLP</b> Seattle, WA (PAR 4524)</p> <p>Suspension of PAR license for 30 days stayed, with 18 months' probation, via stipulated settlement.</p> <p>Moss Adams LLP's attest personnel licensed in California are required to complete a minimum of four hours of continuing education in the area of engagement coordination and documentation to be completed by March 1, 2007. Moss Adams LLP shall provide certification of completion of this requirement by April 1, 2007.</p> <p>Within 30 days from the adoption of the stipulated settlement, Moss Adams LLP shall disseminate a copy of the stipulated settlement to Moss Adams LLP's professional personnel officed in California and shall confirm such dissemination in writing to the Board.</p> <p>Moss Adams LLP is required to reimburse the Board \$35,000 for its investigation and prosecution costs.</p>	<p>Accusation AC-2006-5 contains allegations that Moss Adams LLP is subject to discipline for unprofessional conduct including gross negligence, repeated negligent acts, failure to comply with professional standards, and issuing review reports that did not comply with professional standards. The charges are based on Moss Adams LLP's engagements to review the financial statements for Lanico, Inc. as of and for the years ended December 31, 1998 and 1999.</p> <p>The Board's charges include allegations that Moss Adams LLP failed to properly perform the review engagements and failed to exercise due professional care. Allegations also include Moss Adams LLP's failures to modify its accountant's reports and to properly date the reports in accordance with professional standards.</p> <p>For purposes of settlement, Moss Adams LLP agrees that the Board could establish a factual basis for the charges and if proven at a hearing constitute cause for discipline upon its license.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5062 and 5100 (c). California Code of Regulations, Title 16, Division 1, § 58.</p>

**Effective August 25, 2006**

*Also see:*

*MARK WARREN RABKIN (page 30)*  
*ANTHONY SANCHEZ (page 32)*

*(Please see Enforcement Actions, continued to page 30)*

## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p><b>RABKIN, MARK WARREN</b> Los Angeles, CA (CPA 31485)</p> <p>Suspension of license for 90 days stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Rabkin shall complete 24 hours of continuing education courses as specified by the Board or its designee.</p> <p><b>Effective August 25, 2006</b></p> <p><i>Also see:</i></p> <p><i>MOSS ADAMS LLP (page 29)</i> <i>ANTHONY SANCHEZ (page 32)</i></p>	<p>Accusation AC-2006-5 contains allegations that Mr. Rabkin is subject to discipline for unprofessional conduct including gross negligence, repeated negligent acts, failure to comply with professional standards and issuing a review report that did not comply with professional standards.</p> <p>The charges are based on Mr. Rabkin's performance of a review of the financial statements for Lanico, Inc., as of and for the year ended December 31, 1998.</p> <p>The Board's charges include allegations that Mr. Rabkin failed to properly perform the review engagement and failed to exercise due professional care.</p> <p>Allegations also include Mr. Rabkin's failures to modify the accountant's report and to properly date the report in accordance with professional standards.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5062 and 5100 (c). California Code of Regulations, Title 16, Division 1, § 58.</p>

## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p><b>SACKS, NEVANNA</b> La Jolla, CA (CPA 78291)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Ms. Sacks' license is suspended for 45 days.</p> <p>Ms. Sacks shall at all times maintain an active license.</p> <p>Ms. Sacks is required to reimburse the Board \$2,116 for its investigation and prosecution costs.</p> <p>Other standard terms of probation.</p> <p><b>Effective January 7, 2007</b></p>	<p>Ms. Sacks was sanctioned by the Securities and Exchange Commission (SEC), an action subjecting her CPA license to discipline. The SEC entered the decision and order on June 7, 2006.</p> <p>Without admitting or denying the findings in the SEC order, Ms. Sacks consented to entry of an SEC order that denied her the privilege of appearing or practicing before the SEC as an accountant for two years, effective June 7, 2006, after which she may request that the SEC consider her reinstatement.</p> <p>Arthur Andersen was the auditor for Peregrine Systems, Inc., beginning April 1, 1999, through 2002. Ms. Sacks was the Arthur Andersen audit manager for the Peregrine engagement from September 2000 through May 2002.</p> <p>Subsequent to the completion of the audits, accounting irregularities in Peregrine's revenue recognition practices were disclosed, requiring Peregrine to restate its financial statements for fiscal years ended March 31, 2000, and 2001 and for the first three quarters of its fiscal year 2002. The restatement reduced Peregrine's financial statement revenue for the restatement period by \$509 million dollars.</p> <p>The SEC order included findings that Ms. Sacks violated professional standards by engaging in improper professional conduct in the context of a revenue recognition fraud being conducted by Peregrine personnel and others, failed to exercise due professional care during her reviews and audits of Peregrine's financial statements, and engaged in improper professional conduct by repeatedly engaging in unreasonable conduct which indicated a lack of competence to practice.</p>	<p>Business and Professions Code, Division 3, Chapter 1, § 5100 (h) and (l).</p>

(Please see Enforcement Actions, continued to page 32)

## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p><b>SANCHEZ, ANTHONY</b> Pico Rivera, CA (CPA 77572)</p> <p>Suspension of license for 60 days stayed, with two years' probation, via stipulated settlement.</p> <p>Mr. Sanchez shall complete 24 hours of continuing education courses in addition to the 80 hours required for renewal as specified by the Board or its designee.</p> <p>Mr. Sanchez shall at all times maintain an active license status with the Board, including during any period of suspension.</p> <p><b>Effective August 25, 2006</b></p> <p><i>Also see:</i></p> <p><i>MOSS ADAMS LLP (page 29)</i> <i>MARK WARREN RABKIN (page 30)</i></p>	<p>Accusation AC-2006-5 contains allegations that Mr. Sanchez is subject to discipline for unprofessional conduct including gross negligence, repeated negligent acts, failure to comply with professional standards and issuing a review report that did not comply with professional standards. The charges are based on Mr. Sanchez's performance of a review of the financial statements for Lanico, Inc., as of and for the year ended December 31, 1999.</p> <p>The Board's charges include allegations that Mr. Sanchez failed to properly perform the review engagement and failed to exercise due professional care. Allegations also include Mr. Sanchez's failures to modify the accountant's report and to properly date the report in accordance with professional standards.</p> <p>For purposes of settlement, Mr. Sanchez agrees that the Board could establish a factual basis for the charges and if proven at a hearing constitute cause for discipline upon his license.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5062 and 5100 (c). California Code of Regulations, Title 16, Division 1, § 58.</p>



## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p><b>SHEW, KENT DICK</b> San Francisco, CA (CPA 15858)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Shew's license is suspended for 30 days.</p> <p>Mr. Shew shall maintain a current and active license.</p> <p>Mr. Shew shall pay a restitution of \$150 to client.</p> <p>Mr. Shew shall take and pass with a score of 90 percent or better a Board-approved ethics course.</p> <p>Mr. Shew is prohibited from performing financial statement audit, review, or compilations until completing required continuing education courses for such practice and submitting proof of course completion.</p> <p>Mr. Shew is required to reimburse the Board \$10,000 for its investigation and prosecution costs.</p> <p>Other standard terms of probation.</p> <p><b>Effective October 20, 2006</b></p>	<p>For the purposes of settlement, Mr. Shew admits, as set forth in the accusation, that he accepted payment of \$150 from a long-standing and elderly client for preparation of her 2002 personal income tax returns, but did not provide completed returns to her and was unresponsive to her requests for the returns.</p> <p>Mr. Shew held out and practiced public accountancy beginning in at least 2001 under a firm name not registered with the Board and practiced with an expired license beginning on September 1, 2003, and did so without complying with the Board's requirements for continuing education.</p> <p>Mr. Shew also failed to respond to Board inquiries regarding the client's complaint and failed to respond to Board inquiries regarding the nature and status of his practice.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5050, 5051, 5060, 5100, and 5100(c), (g), (i), and (k). California Code of Regulations, Title 16, Division 1, §§ 52, 67, 87, and 94.</p>

(Please see Enforcement Actions, continued to page 34)

## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p><b>SKIDMORE, BURLEIGH JOHN</b> Santa Barbara, CA (CPA 32051)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Skidmore shall at all times maintain an active license status with the Board, including during any period of probation.</p> <p>Mr. Skidmore shall complete and provide proper documentation of 16 hours of continuing education courses.</p> <p>Mr. Skidmore is required to reimburse the Board \$11,000 for its investigation and prosecution costs.</p> <p>Other standard terms of probation.</p> <p><b>Effective June 23, 2006</b></p>	<p>For purposes of settlement, Mr. Skidmore agrees that at a hearing, complainant could establish a prima facie factual basis for the charges contained in Accusation AC-2005-33. These charges include that Mr. Skidmore committed an act of gross negligence for violating professional standards of practice by incorrectly preparing Internal Revenue Service Form 1120 for the fiscal year ended March 31, 2002, for Malibu Travel, Inc. Mr. Skidmore prepared the return subject to the tax rates as a regular C-Corporation when its corporate income was subject to the higher personal holding company tax rates.</p> <p>The accusation further charged that Mr. Skidmore committed acts of dishonesty when he overbilled a client for tax return preparation services, for her personal and corporation tax returns for tax years 1999 to 2001, by misrepresenting his tax return preparation time.</p>	<p>Business and Professions Code, Division 3, Chapter 1, § 5100 (c). California Code of Regulations, Title 16, Division 1, § 58.</p>
<p><b>WAGGLE, STEPHEN L.</b> Los Banos, CA (CPA 12039)</p> <p>Surrender of CPA certificate, via stipulated settlement.</p> <p>Mr. Waggle is required to reimburse the Board \$10,853 for its investigation and prosecution costs prior to the issuance of a new or reinstated license.</p> <p><b>Effective February 25, 2007</b></p>	<p>Mr. Waggle surrenders his CPA certificate and agrees that the Board could establish a factual basis for the charges in the accusation and that those charges, if proven, would constitute cause for discipline of his certified public accountant certificate.</p> <p>The Board's accusation charges Mr. Waggle with four causes for discipline based on Mr. Waggle's actions as the accountant for Sunstar Investments, Inc.</p> <p>The charges alleged from Mr. Waggle's actions included dishonesty, preparation of false financial information, embezzlement of funds, and fiscal dishonesty based on Mr. Waggle's misappropriation of funds for his personal use and concealment of his actions by falsifying the company's records.</p>	<p>Business and Professions Code, Division 3, Chapter 1, § 5100 (c), (i), (j), and (k).</p>

## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p><b>WILLIAMS, DOUGLAS EDWARD</b> Covina, CA (CPA 37246)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Williams shall maintain an active license.</p> <p>Mr. Williams shall take and pass with a score of 90 percent or better a Board-approved ethics course.</p> <p>Mr. Williams is required to reimburse the Board \$7,030 for its investigation and prosecution costs.</p> <p>Other standard terms of probation.</p> <p><b>Effective January 7, 2007</b></p>	<p>For purposes of settlement, Mr. Williams admits that he engaged in the practice of public accountancy without a valid permit while his permit was in an inactive status. On or about September 11, 2003, Mr. Williams executed and presented to World Wide Missions' Board of Directors an Independent Auditor's Report for the fiscal year July 1, 2002, through June 30, 2003. Mr. Williams' permit was in an inactive status at the time that he completed fieldwork for the report and at the time that the report was issued.</p> <p>Mr. Williams also used the CPA designation in the paid preparer's block of World Wide Missions' IRS Form 990 for the same period. Mr. Williams' permit was in an inactive status at the time that said Form was prepared and issued.</p> <p>Mr. Williams willfully violated the Board's regulations by engaging in the practice of public accountancy with an inactive permit after being cited for a substantially similar violation in 1997.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5050 and 5100 and 5100 (g). California Code of Regulations, Title 16, Division 1, § 80.</p>
<p><b>WININGS, DAVID M. and DAVID M. WININGS, AN ACCOUNTANCY CORPORATION</b> Palm Desert, CA (CPA 62403 and COR 5457)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Winings shall take and pass with a score of 90 percent or better a Board approved ethics course.</p> <p>Mr. Winings and David M. Winings, an Accountancy Corporation, are required to reimburse the Board \$3,146.50 for its investigation and prosecution costs.</p> <p>Other standard terms of probation.</p> <p><b>Effective August 25, 2006</b></p>	<p>Without being registered with the Public Company Accounting Oversight Board (PCAOB), Mr. Winings and his accountancy corporation issued seven audit reports on issuers in violation of PCAOB rules.</p> <p>Subsequent applications for registration with the PCAOB from Mr. Winings and David M. Winings, an Accountancy Corporation, were denied for cause.</p> <p>Both applications failed to disclose a company they had audited on their application for registration with the PCAOB. Both were uncooperative during the investigation by failing to respond to California Board of Accountancy's two letters sent as part of the investigation.</p>	<p>Business and Professions Code, Division 3, Chapter 1, § 5100, and 5100 (g), (j), and (l). California Code of Regulations, Title 16, Division 1, § 52.</p>

(Please see Enforcement Actions, continued to page 36)

## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p><b>WINTERBURN, JON STEPHEN</b>  Redding, CA  (CPA 49935)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Winterburn shall at all times maintain an active license status with the Board, including during any period of suspension.</p> <p>Mr. Winterburn shall complete and provide proper documentation of 26 hours of continuing education courses.</p> <p>Mr. Winterburn is required to reimburse the Board \$8,888.95 for its investigation and prosecution costs.</p> <p>Other standard terms of probation.</p> <p><b>Effective June 23, 2006</b></p>	<p>Mr. Winterburn admits that he performed repeated acts of negligence in the preparation of the original and proposed amended 2002 federal and state income tax returns for a client as charged in the Board's Accusation No. AC-2005-28.</p>	<p>Business and Professions Code, Division 3, Chapter 1, § 5100 (c).</p>
<p><b>YANSSSENS, DONALD G.</b>  Sacramento, CA  (CPA 34961)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Yanssens' license is suspended for 60 days.</p> <p>Mr. Yanssens shall maintain a current and active license.</p> <p>Mr. Yanssens has a permanent probation from performing audits. This restriction shall continue until such time, if ever, Mr. Yanssens successfully petitions the Board for reinstatement of his ability to perform audits.</p> <p>Mr. Yanssens is required to reimburse the Board \$5,837 for its investigation and prosecution costs.</p> <p>Other standard terms of probation.</p> <p><b>Effective October 20, 2006</b></p>	<p>For purposes of settlement, Mr. Yanssens admits that he is subject to discipline for unprofessional conduct for gross negligence and repeated negligent acts in the performance of an audit engagement for a nonprofit foster care provider for the fiscal year ended June 30, 2003.</p> <p>Mr. Yanssens' conduct included departures from professional standards in the preparation of supporting working papers and in the accompanying notes to the financial statements, and departures from professional standards applicable to the Independent Auditor's Report and Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards.</p> <p>Mr. Yanssens admits further that he engaged in the practice of public accountancy with an inactive license during the audit of the foster care provider.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5050, 5062, and 5100 (c) and (g). California Code of Regulations, Title 16, Division 1, §§ 58 and 80(a).</p>

## Other Enforcement Actions 3/12/06 through 2/25/07

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<b>ZINN, WENDY JOANNE</b> Newhall, CA (CPA 64931)  Revocation stayed, with two years' probation, via proposed decision. Ms. Zinn's license is suspended for 90 days. Ms. Zinn shall take and pass with a score of 90 percent or better a Board-approved ethics course. Ms. Zinn shall complete professional education courses as specified by the Board as part of her 80-hour requirement for license renewal. Ms. Zinn is required to reimburse the Board \$9,017 for its investigation and prosecution costs. Other standard terms of probation. <b>Effective October 20, 2006</b>	Ms. Zinn practiced with an expired license from March 1, 2002, through February 27, 2003, and from March 1, 2004, through April 20, 2005. Ms. Zinn failed to complete 80 hours of continuing education in the two-year period preceding both her February 29, 2002, renewal and February 28, 2004, renewal. Ms. Zinn practiced under the unregistered name of "Zinn & Associates, An Accountancy Corporation." Ms. Zinn made a false statement on her February 28, 2002, renewal application by indicating that she was not currently practicing public accountancy. Ms. Zinn also failed to respond to multiple Board letters.	Business and Professions Code, Division 3, Chapter 1, §§ 5050, 5060, and 5100 (b) and (g). California Code of Regulations, Title 16, Division 1, §§ 52 and 87.

## Appeal of Citation and Fine Before an Administrative Law Judge

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<b>CAMPBELL JR., MARSHALL CHARLES</b> Pasadena, CA (CPA 65889)  Citation affirmed. Mr. Campbell shall respond to the Board's inquiry and provide the information requested per the Board's letter of December 6, 2004, within 30 days from the effective date of the decision. Mr. Campbell shall pay the Board administrative fines totaling \$1000 within 30 days from the effective date of the decision. <b>Effective October 20, 2006</b>	On August 12, 2005, Citation No. CT-2006-4 was issued to Mr. Campbell, charging that he violated Business and Professions Code, Section 5060, and California Code of Regulations, Title 16, Sections 3 and 52. Administrative fines in the amounts of \$500, \$250 and \$500, respectively, were assessed for the three violations for a total of \$1,250. Mr. Campbell subsequently appealed the Section 5060 (Name of Firm) and Section 52 (Response to Board Inquiry) violations. At an administrative hearing, Mr. Campbell stipulated that the violations occurred. Specifically, he admitted that he failed to register a proper business name with the Board and that he did not respond to the Board's inquiry within 30 days. Mr. Campbell did not contest the orders of correction. However, Mr. Campbell contested the \$500 fine amounts for each violation, saying that the assessed amounts were too large.	Business and Professions Code, Division 3, Chapter 1, § 5060. California Code of Regulations, Title 16, Division 1, § 52.

# Future Meetings

*April 25, 2007*

**Qualifications Committee**

*Four Points by Sheraton LAX  
9750 Airport Boulevard  
Los Angeles, California 90045  
(310) 645-4600*

*May 3, 2007*

**Administrative Committee**

*Los Angeles Airport Hilton and Towers  
5711 West Century Boulevard  
Los Angeles, California 90045  
(310) 410-4000*

*May 10-11, 2007*

**Board Meeting**

*Courtyard by Marriott Cal Expo  
1780 Tribute Road  
Sacramento, California 95815  
(916) 929-7900*

*July 11, 2007*

**Qualifications Committee**

*California Board of Accountancy Office  
2000 Evergreen Street, Ste. 250  
Sacramento, California 95815  
(916) 263-3680*

*July 19-20, 2007*

**Board Meeting**

*Hilton Pasadena  
168 South Los Robles Avenue  
Pasadena, California 91101  
(626) 577-1000*

*August 30, 2007*

**Administrative Committee**

*Radisson  
500 Leisure Lane  
Sacramento, California 95815  
(916) 922-2020*

*September 27-28*

**Board Meeting**

*Wyndham San Diego at Emerald Plaza  
400 West Broadway  
San Diego, California 92101  
(619) 239-4500*

*October 24, 2007*

**Qualifications Committee**

*Southern California*

*November 1, 2007*

**Administrative Committee**

*Los Angeles*

*November 15-16, 2007*

**Board Meeting**

*Sheraton Gateway SFO  
600 Airport Boulevard  
Burlingame, California 94010  
(650) 340-8500*

*December 1, 2007*

**Administrative Committee**

*TBA*

Board, committee, and task force meetings are open to the public. Licensees are encouraged to attend. As meeting locations become known, they will be posted on the Board's Web site at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba) and also are available by telephoning the Board's office at (916) 263-3680.

Public notices and agendas are posted to the Web site at least 10 days prior to meetings.

# ADDRESS CHANGE FORM

A separate address change form must be submitted for each license type.

PLEASE PRINT

## Name of Applicant for Licensure

Last	First	Middle

## Name of Licensee

Individual (CPA/PA) - License No. \_\_\_\_\_

Last	First	Middle

## Name of Firm

☐ Corporation ☐ Partnership ☐ Fictitious Name License No. \_\_\_\_\_

Firm Name

Be advised that if you are a licensed CPA/PA or firm, your address of record is public information, and all Board correspondence will be sent to this address.

## NEW Address of Record (An Address of Record is Required)

☐ Home ☐ Business (check one)

--

Business Name (if different from name above)

--

Street ☐ Apt. # ☐ Suite # (check one)

--	--	--

City State Zip

## Former Address of Record

--

Street ☐ Apt. # ☐ Suite # (check one)

--

City State Zip

## Alternate Address for Mail Drops and PO Boxes

If your address of record is a PO Box or Mail Drop, you are required to provide a street address. This address will not be posted on the Board's Web License Lookup.

--

Street ☐ Home ☐ Business (check one) ☐ Apt. # ☐ Suite # (check one)

--

City State Zip

## Daytime Phone Number

-	-
Area Code	

You may confirm your change of address on License Lookup at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba).

I certify the truth and accuracy of all of these statements and representations.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Print your name \_\_\_\_\_

A licensee who fails to notify the California Board of Accountancy within 30 days of a change of address of record may be subject to citation and fine (fines ranging from \$100-\$1000) under the California Code of Regulations, Title 16, Division 1, Sections 3 and 95.2.

The Board maintains a list of all licensees. This list is sold to requestors for mailing list purposes. Check here only if you do not want your name included on this list. *Please Note: Your name and address of record is public information and can be accessed through our Web site at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba).* ☐

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